

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



Date: September 17, 2018
To: ABAG Executive Board
From: Executive Director
Subject: **Authorization to Waive Potential Right of First Refusal under CC&Rs for 375 Beale Street and to Execute Amendment of CC&Rs**

Executive Summary

ABAG owns a condominium unit (Lot 4) on the 7th floor in the building located at 375 Beale Street, San Francisco and referred to as the Bay Area Metro Center (BAMC). Under a draft Purchase and Sale Agreement, the Bay Area Headquarters Authority (BAHA), the owner of Lot 2, intends to sell a portion of its 8th floor space in the BAMC (the 8th Floor Additional Space) to the Bay Area Air Quality Management District (the Air District), the owner of Lot 3. The sale is anticipated to close within a month.

In connection with the pending sale, the governing boards of BAHA, the Air District, and the 375 Beale Condominium Corporation have each approved an amendment (the CC&R Amendment) to the Declaration of Covenants, Conditions and Restrictions for 375 Beale Street (CC&Rs) that would reconfigure Lots 2 and 3, amend the occupancy plan, and amend the ownership interest percentages to reflect the transfer of the 8th Floor Additional Space from BAHA to the Air District. ABAG's occupancy plan is not affected; it remains the same. ABAG's unit ownership is not affected; it remains the same. In other words, ABAG is not affected by this change.

Section 9.08 of the CC&Rs provides each unit owner with a right of first refusal to the assignment, sale or exchange of any other "Unit." Section 1.01 of the CC&Rs identifies Lots 1, 2, 3 and 4 as each being a "Unit." Although the 8th Floor Additional Space does not constitute an entire "Unit," as it represents only a portion of Lot 2, staff nonetheless believes it is appropriate to request that ABAG confirms its waiver of any potential right of first refusal under Section 9.08 of the CC&Rs with respect to the 8th Floor Additional Space.

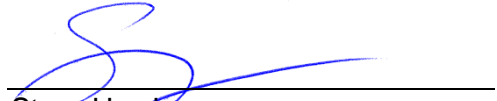
Authorization to Waive Potential Right of First Refusal under CC&Rs for 375 Beale Street

September 17, 2018

Page 2

Recommended Action

The Executive Board is requested to authorize the Executive Director of the Metropolitan Transportation Commission, or his designee, to waive any potential right of first refusal under Section 9.08 of the CC&Rs with respect to the 8th Floor Additional Space and execute a CC&R Amendment in substantially the form attached hereto on behalf of the Association of Bay Area Governments.



Steve Heminger

Attachments

Proposed CC&R Amendment
Summary Approval